

**Before the State of South Carolina
Department of Insurance**

In the Matter of:

SCDOI Docket # 06-0738

Catherine I. Graham

**ORDER REVOKING
RESIDENT PRODUCER
LICENSE**

This matter comes before the South Carolina Department of Insurance (the Department), upon application of David E. Belton, Esquire, Senior Associate General Counsel for the Department, requesting the revocation of Catherine I. Graham's (Producer) resident producer's license.

After careful review of the evidence presented, the Department issues the following decision.

FINDINGS OF FACT

Producer is currently a South Carolina resident producer.

In the State of South Carolina the producer appointment was terminated by American Family Life Assurance Company of Columbus (AFLAC) for creating "bogus" business and forging signatures on applications for insurance..

In the State of South Carolina the producer failed to comply with a consent order imposing administrative penalty of \$500.00 and six (6) month suspension after verbally committing to its conditions.

In the State of South Carolina the producer failed to report change of address to the Department.

CONCLUSIONS OF LAW

Pursuant to S.C. Code §38-43-130 "(A) The director or his designee may place on probation, revoke, or suspend a producer's license after ten days' notice or refuse to issue or reissue a license when it appears that a producer has been convicted of a crime involving moral turpitude, has violated this title or any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State. (C)(8) The words "deceived or dealt unjustly with the citizens of this State" include, but are not limited to, action or inaction by the producer as using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere." Thus as a result, Catherine I. Graham was terminated by American Family Life Assurance Company of Columbus (AFLAC) for creating "bogus" business and forging signatures on applications for insurance.

Pursuant to S.C. Code §38-43-130 “(A) The director or his designee may place on probation, revoke, or suspend a producer’s license after ten days’ notice or refuse to issue or reissue a license when it appears that a producer has been convicted of a crime involving moral turpitude, has violated this title or any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State. (C)(2) The words “deceived or dealt unjustly with the citizens of this State” include, but are not limited to, action or inaction by the producer as violating any insurance laws, or violating any regulation, subpoena or order of the director or of another state’s director or his designee.” Thus as a result, Catherine I. Graham failed to comply with a consent order imposing administrative penalty of \$500.00 and six (6) month suspension after verbally committing to its conditions.

Pursuant to S.C. Code §38-43-107(A) “If an individual applies for an insurance producer’s license he shall supply the department his business, mailing, and residence street address. The producer shall notify the department within thirty days of any change in legal name or in these addresses. (B) Failure to inform the insurance director or his designee of a change in legal name or address within this period shall result in a penalty pursuant to Section 38-2-10.” Thus as a result, Catherine I. Graham’s failure to notify the Department of her current address caused the Department difficulty in corresponding with her.

THEREFORE, it is ordered that Catherine I. Graham, a South Carolina resident producer license shall be revoked thirty (30) days from the date of this order, and no license issued through the state of South Carolina Department of Insurance is to be issued to her, unless Catherine I. Graham requests in writing within said thirty (30) day period a public hearing before the South Carolina Administrative Law Court.

It is FURTHER ORDERED that the National Association of Insurance Commissioners be immediately notified of this order.

This South Carolina Department of Insurance administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina’s *freedom of Information Act*, S.C. Code Ann. §§30-4-10, et seq. (1991 and Supp. 2000). Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, to “report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report.” S.C. Code Ann. §38-3-110(3) (Supp. 2000).



Eleanor Kitzman
Director of Insurance

Dated this 19 day of January 2007